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Contras May Have Got \$30 Million From Saudi Arabia

By DOYLE McMANUS, Times Staff Writer

WASHINGTON—Congressional investigators believe that Saudi Arabia contributed at least \$30 million to the Nicaraguan contras during a ban on U.S. military aid to the rebels after CIA Director William J. Casey appealed for the help, sources familiar with the inquiry said Wednesday.

The Saudi donation, along with reported contributions from Brunei and other countries, would increase the amount of aid collected for the contras during the ban to at least \$50 million, although officials said some of that money apparently never reached the rebels.

"I suspect that, when this is all through, you are going to find an awful lot of money was solicited, both directly and in kind," a source involved in investigations of the aid said......

He said evidence was building of "a concerted effort on the part of the Administration" to solicit money for the contras abroad, even though Administration officials had told Congress that they were not soliciting aid.

Congress banned U.S. military aid to the rebels, who are fighting to overthrow Nicaragua's leftist regime, from mid-1984 until last October. Late last year, Congress reversed itself and approved \$100 million in new funding for the contras.

The Times has already reported that Saudi Arabia was the largest single source of military aid for the rebels and that some Saudi donations helped finance a secret weapons airlift operated by associates of former White House aide Oliver L. North.

However, the extent of the Saudi aid was not known until Congress began investigating the Administration's secret arms sales to Iran and the diversion of profits from that deal to the contras. Those inquiries are now expanding into a general investigation of the ways the Administration found private and foreign support for the contras from 1984 through 1986, members of Congress' intelligence committees said.

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Members of Congress and Administration officials disagree on whether it was legal to ask other countries to contribute military aid to the contras during the ban. A 1985 law prohibited giving U.S. aid

to other countries on the understanding that they would pass it on to the contras. But Congress did not pass a specific prohibition against soliciting aid.

In the case of the Saudi contribution, a knowledgeable source said that Casey and other senior Administration officials had asked the Arab kingdom to help support the contras at least as early as 1984.

The Saudi government officially denies providing any aid to the rebels. But, soon after Congress cut off the contras' CIA funding, congressional sources said, the rebels began to receive aid from Saudi citizens, who are believed to have been acting on behalf of the royal family.

At least some of the money is believed to have been deposited in Swiss bank accounts controlled by retired Air Force Maj. Gen. Richard V. Secord, who helped organize both the secret airlift of arms to the contras and the secret shipments of U.S. weapons to Iran.

A spokesman for the Saudi Embassy, Habib Shaheen, repeated his government's denials this week. "Saudi Arabia has provided no aid, direct or indirect," he said. When asked whether Saudi citizens had aided the contras, he said: "I can't speak for them."

A draft report prepared by the staff of the Senate Intelligence Committee last month disclosed that former National Security Adviser Robert C. McFarlane had told Secretary of State George P. Shultz last summer that Saudi Arabia had contributed \$31 million to a contra group, according to sources who have read the paper.

The contras received also a \$10-million gift from the sultan of Brunei, an oil-rich country in Southeast Asia. In addition, congressional sources believe that \$8.5 million was diverted to the contras from the proceeds of U.S. arms sales to the Iranians. Several million dollars were contributed by other countries, sources said.

The draft report says President Reagan, Shultz, Casey and then-National Security Adviser John M. Poindexter discussed asking Saudi Arabia to give non-military aid to the contras in May, 1986, the sources said.

Congressional sources said they believe McFarlane called Shuitz to warn him that Saudi Arabia had already secretly donated funds and should not be solicited again.

McFarlane refused to comment on that account, which was first reported by "NBC News." Shultz, who was traveling in Africa this week, said he did not specifically know of any Saudi contributions to the contras.

"I don't want to comment on that," he told reporters. "I testified [in Congress] as to my information about funds to the freedom fighters in Nicaragua. My knowledge is limited to one third-country contribution that we solicited legally."

Officials said the one contribution Shultz was referring to was the gift from the sultan of Brunei. The money from Brunei appears never to have reached the contras, they said.

The congressional investigators have been unable to find any accounting for the Saudi contributions either, sources said, but have not concluded that the money went astray.

"We don't know where the money went because we haven't had access to any of the bank records," one congressional source said. "There is evidence that a lot of assistance did reach the contras. But we don't know where it came from, and we don't know where specific pieces of aid went. There was a lot of commingling of funds."

McFarlane and Reagan Administration officials have repeatedly said that they did not specifically solicit military aid for the contras during the congressional ban on assistance.

The Senate Intelligence Committee asked McFarlane last month whether he still maintained that officials had not solicited aid, and he said he did.

Administration officials told Congress during the ban that the rebels were receiving virtually no military aid.

But Elliott Abrams, assistant secretary of state for Latin American affairs, has told the Senate Intelligence Committee that the contras received from \$2 million to \$3 million a month from private sources during the two-year ban—a total of roughly \$24 million to \$36 million.

Staff writers Sera Fritz and Karen Turnulty contributed to this article.